FBIS DAILY REPORT CONTENTS

Latin America

Vol VI No 040 *27 February 1979*

INTER-AMERICAN AFFAIRS

LAES, OLADE Sign Cooperation Agreement A 1
Briefs: Credit for Itaipu; Loan for Itaipu; Salto Grande Dam A 1

ARGENTINA

Oil Official on Fuel Supply, Possible Price Increases B 1
Ambassador to Paraguay Discusses Corpus, Itaipu Negotiations B 1
Paraguyan Paper Publishes Argentine Officers' Memorandum B 2
[Asuncion ULTIMA HORA 23 Feb]
Columnist Cites Dangers of Brazilian 'Intransigence' B 4
[HERALD 25 Feb]

BOLIVIA

FSB Leader Attacks Banzer, Electoral Court C 1
[EL DIARIO 21 Feb]
Former President Banzer Accused of Genocide C 1
Briefs: British Loan Granted C 1

BRAZIL

Itamaraty Denies Sending Arms Aid to Somoza D 1
[O ESTADO DE SAO PAULO 25 Feb]
Heads of Delegations Attending Inaugural Announced D 1
[JORNAL DO BRASIL 24 Feb]
Itamaraty Note Details Prior Parana Agreements D 1
[O ESTADO DE SAO PAULO 24 Feb]

CHILE

Mediation Will Not Be Sought for Bolivian Sea Outlet Issue E 1
Unions Demand Repeal of Government Decrees E 1
Dispute Erupts Over Dismissal of Union Leaders E 2
Panama Solicits Chilean Copper-Mining Expertise E 2
Corvalan Says U.S. Still Backs Pinochet Regime E 3

COLOMBIA

Development Minister Comments on Economic Issues F 1
[EL ESPECTADOR 21 Feb]
Refugees in Panamanian Embassy Granted Safe-Conducts F 2
Paper Criticizes Carter's 'Untimely' Mexico Visit F 2
[EL ESPECTADOR 23 Feb]

ECUADOR

Poveda: Interest Groups Will Not Destroy Democracy Plan G 1
PNR Demands Immediate Release of Arrested Leaders G 1
Democratic Left, Alfarists Cancel Political Agreement G 1

PARAGUAY

Foreign Minister Meets With Argentine Ambassador H 1
[LA TRIBUNA 21 Feb]
More on Diplomatic Activity Surrounding Parana Projects H 1
[ABC COLOR 25 Feb]
Editorial on Brazil's Rejection of Argentine Proposal H 1
[HOY 21 Feb]

VENEZUELA

Energy Commission Member Calls for Increased Oil Prices L 1
Price of Residual Oil To Be Increased March 1 L 1
Finance Minister Gives Assurance of Increased Income L 2
[EL UNIVERSAL 19 Feb]
Military Court Orders Release of Deputies L 3
Deputy Says Niehous Alive L 3

MEXICO

Peasants 'Occupy' Oil Wells in Southeastern Mexico M 1
Rumors of Presidential Visit to Yugoslavia, FRG Denied M 1
Organizations Demonstrate in Support of Vietnam M 1

PANAMA

Royo Meets With U.S. Congressmen, Discusses Canal Matters N 1
[LA ESTRELLA DE PANAMA 26 Feb]
Canal Labor Policy Committee Established N 1
National Assembly Will Not Set Up Party N 2
Panamenist Party Appoints New Officials N 2
Supreme Court Decision on Prisoners Opposed N 2
[LA ESTRELLA DE PANAMA 26 Feb]
MATUTINO Warns of U.S. Opposition to Treaty Implementation N 3
[24 Feb]
Briefs: Ambassadors Present Credentials N 4

CENTRAL AMERICA

COSTA RICA

Carazo Optimistic About Upcoming Talks With Royo P 1
Former President Oduber To Visit Mexico, Venezuela P 1
'Operation Checkmate' Postponed Until 28 February P 1
Two Nicaraguan Guardsmen Surrender in Los Chiles P 1
U.S. Tuna Trawler Seized in National Waters P 2
Ship's Release Sought P 2
Issuance of Visas to Chinese Nationals Suspended P 2
Briefs: Disease Prevention Measures P 2

EL SALVADOR

Bill To Abolish Public Order Law Sent to Congress P 2
ERP Communique Denies Recent Bomb Threats P 3
[LA PRENSA GRAFICA 21 Feb]

GUATEMALA

President Lucas Garcia Returns After 18-Day Absence P 3
Army Reported Clash With Subversives P 3

NICARAGUA

Somoza Discusses Future Elections; Violence Resumes P 4
Bomb Damages Home of Granada Official P 4
Radio Reloj Reports on Monimbo Commemoration in Masaya P 4

CUBA

Blas Roca Condemns Maoist Aggression Q 1
UN Envoy: Chinese Aggression Betrayal of Socialism Q 1
Blumenthal, Varley Visits Show Support for Invasion Q 2
Commentator: U.S. Politically Associated With Invasion Q 2
Soviet Gosplan Official Arrives in Havana Q 3

DOMINICAN REPUBLIC

President Guzman Denies Differences With PRD R 1
Guzman Defends Government's Credit Policy R 1

LAES, OLADE SIGN COOPERATION AGREEMENT

PA172219 Caracas VENPRES Diplomatic Information Service in Spanish 1200 GMT 17 Feb 79 PA

[Text] Caracas, 16 Feb (VENPRES)--A cooperation agreement was signed yesterday by the permanent Secretariat of the Latin American Economic System (LAES) and the Latin American Energy Organization (OLADE) for the purpose of maintaining and promoting close cooperation to better fulfill the goals of the two organizations. Dr Jaime Moncayo, LAES permanent secretary, and Dr Gustavo Rodriguez, representing the OLADE Executive Secretariat, signed the document.

In meetings prior to the signing, the two top officials discussed possible areas of action, particularly OLADE research on the application of solar energy and on small dams to provide electricity to small towns.

As a result of the cooperation agreement, the two secretariats will take steps to identify and analyze areas and projects of common interest, exchange information, coordinate efforts, and cooperate in specific activities. The agreement also establishes that the two secretariats will hold periodic consultations to decide on specific forms of cooperation and common action and to identify joint projects, particularly in areas which are objectives of LAES action committees.

BRIEFS

CREDIT FOR ITAIPU--The Brazilian-Paraguayan Itaipu binational enterprise has received a credit of 178,210,138 Swiss francs from a consortium of Swiss banks on the buyer's credit system for the purchase of raw materials and components from Switzerland. [Asuncion ULTIMA HORA in Spanish 23 Feb 79 p 15 PY]

LOAN FOR ITAIPU--A consortium of French banks has granted a loan of $142,633,652 to the Brazilian-Paraguayan Itaipu binational enterprise for the purchase of French raw materials and equipment. The loan is for 10 years, and payments will begin 128 days after the signing of the contract. The banks include: Banque de Paris et des Pays-Bas, Banque de l'Union Europenne, Banque Nationale de Paris, Banque de l'Indochine et de Suez, Credit Lyonnais, Societe Generale and Banque Francaise du Commerce Exterieur. [Asuncion ULTIMA HORA in Spanish 21 Feb 79 p 11 PY]

SALTO GRANDE DAM--Montevideo, 17 Feb (LATIN)--It was officially announced that the first turbine of the Salto Grande dam being built by Uruguay and Argentina will being operating on 30 May 1979. A total of 14 Soviet-built turbines will be installed in the dam by 31 October 1981 and will be operating by the end of December 1981. [Buenos Aires LATIN in Spanish 1345 GMT 17 Feb 79 PY] According to the Argentine-Uruguayan joint technical commission, the current cost of the Salto Grande hydroelectric dam has now surpassed $1.3 billion. The initial figure was $800 million. [Buenos Aires TELAM in Spanish 0318 GMT 20 Feb 79 PY]

OIL OFFICIAL ON FUEL SUPPLY, POSSIBLE PRICE INCREASES

PY210153 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1700 GMT 20 Feb 79 PY

[Excerpt] Buenos Aires, 20 Feb (NA)--Raul Ondarts, president of Government Oil Deposits [YPF], stated here today that a possible increase in international oil prices as a result of the conflict in Iran "will not be as spectacular as they say." He emphasized that this "would not affect Argentina because we have already bought oil for next year."

He stated: "I believe that Argentina is in a privileged position, and even though some suppliers are not fulfilling their contracts and others are asking us for price modifications before shipment [words indistinct] end of the month."

In remarks made today to a radio station in this capital, Ondarts emphasized that "on the other hand, other suppliers are fulfilling their contracts and we are buying at the agreed prices. In any case, this reflects a change of about 8 or 10 percent, which is what will be imported next year."

The YPF president later stated that "our country is fortunate because the problem in Iran has caused quite a few difficulties for the economies of other nations, especially European nations and Japan more than the United States."

With respect to the next increase in fuel prices, Ondarts said this will take place on 1 March and will total 5.5 percent over present prices. "The increases have already been decided, but we should take into account that this time they will total 5.5 percent, two-tenths less than in January when prices went up 5.7 percent and the cost of living increased by 10 percent," he indicated.

AMBASSADOR TO PARAGUAY DISCUSSES CORPUS, ITAIPU NEGOTIATIONS

PY240024 Buenos Aires TELAM in Spanish 1550 GMT 23 Feb 79 PY

[Text] Buenos Aires, 23 Feb (TELAM)--Argentine Ambassador to Paraguay Sergio Novoa has stated that "there is no indication Paraguay will deliver any answer to the work document presented by Argentina to this country, as well as to Brazil, regarding efforts to make Corpus and Itaipu compatible." He then added that he will soon go to Buenos Aires "to deliver the necessary information to my government."

In remarks made to a radio station in this capital city, Ambassador Novoa said that "Paraguay's position is traditional, and naturally it is largely compromised by being both Brazil's and Argentina's partner in the Corpus and Itaipu projects."

"On the other hand," he added, "there has been a climate of prudence, caution and objectivity up to this time, and I believe that we are seeking the right moment to provide solutions for both parties."

With regard to the procedure to be adopted by Paraguay in disclosing its position on the document presented by Argentina, he said he was "not able to say anything about the future if a decision of this kind is made." [as received] He stated: "What I can say is that up until now, I do not have any news about an answer to the draft presented to Paraguay and Brasilia, and I don't believe it necessarily requires any answer since it is nothing more than a work document."

Novoa then explained: "The situation in Asuncion is somewhat different from that in Brasilia. Here, circumstances and events developed normally from the first, after the meeting with Ambassador Colombo."

"The tone of that first meeting continues, except of course it now includes all the alternatives created by the Brazilian answer," he added.

Asked about the development of the Yacyreta project, he said he shares the optimism of the president of the Argentine side of the binational enterprise, Jorge Pegoraro, since this dam "is gaining more and more force and importance."

Finally, he said he does not know if he will hold joint meetings with Foreign Minister Pastor and Argentine Ambassador to Brazil Oscar Camilion during his trip to Buenos Aires.

These remarks were made by Ambassador Novoa during the "Ford News" program broadcast by Radio Belgrano.

PARAGUAYAN PAPER PUBLISHES ARGENTINE OFFICERS' MEMORANDUM

PY232338 Asuncion ULTIMA HORA in Spanish 23 Feb 79 p 8 PY

["Complete text of memorandum sent to Argentine President Jorge Rafael Videla" by "the Geopolitical Studies Department of the Carlos Maria de Alvear Center of Retired Argentine Officers in September 1978," signed by Rear Adm Isaac F. Rojas, ret, director general]

[Text] WE HEREBY ANSWER YOUR EXCELLENCY'S REQUEST FOR AN EXPANSION OF OUR OPINION REGARDING THE IMPLEMENTATION OF THE CORPUS PROJECT WITH PARAGUAY AND ITS RECONCILIATION WITH THE ITAIPU DAM.

We believe that at this point Corpus has more geopolitical than economic meaning for Argentina. In the future, the area can become highly conflictive and vital for Argentina's strategic interests. Brazil, before anything else, is the potential enemy of all times, and Paraguay is currently its ally.

Thus, regardless of whether Corpus is built or not, Argentina must reassert itself in the area in order to protect those of its borders which are easier to penetrate--those in Misiones Province.

The great central South American rivers of Parana and Paraguay flow in a manner contrary to Argentine interests since the Parana River, which flows through Argentina and is one of its largest rivers, cannot be fully controlled by us. Itaipu has proven this. However, we Argentines cannot and must not give up the Parana River, whose most important section is entirely ours. We believe that for the time being Corpus should neither be implemented nor abandoned.

It cannot be implemented because it would be impossible to deal with Brazil and Paraguay under prevailing conditions. It is not possible to abandon it either, and even less to say so. A public renunciation of the project would be, from the geopolitical point of view, to surrender the area to Paraguay, which in the end means giving it to Brazil.

Paraguay is too involved with Brazil for the three countries to negotiate on an equal footing. There are not three parties, but only two: Brazil and Paraguay on one side and Argentina on the other.

For the time being Argentina has lost to Brazil its strategic battle over Paraguay. Brazilian investments are huge, there is a great deal of Brazilian economic colonialism in Paraguay and large tracts of Paraguayan land now belong to Brazilians. Some of this land has been purchased by the Brazilian Government through figureheads.

Many high-ranking Brazilian officials are handling Paraguayan domestic affairs with decisionmaking power. There are also high-ranking Paraguayan officers and civilians who are on Brazil's payroll. There is even a group of so-called "Brazilian" military who will follow Brazil's instructions when Stroessner dies. This group is led by Generals Johanssen and Knopffelmacher.

Under these conditions there is nothing to be done and the only appropriate thing to do is to pry Paraguay away from Brazil little by little to place negotiations on a more equal footing. A system similar to that employed by Brazil could yield some results in the long run, but it would involve investments which Argentina cannot make now.

It is possible that pressure may prove to be effective. We should not forget that almost all Paraguayan products go abroad through Argentina, and properly taken advantage of, this may yield some results. Paraguay wants a free port; that is also negotiable.

Yacyreta does not represent for Argentina the advantages with respect to Paraguay that Brazil has with Itaipu. If we build Corpus under the present conditions, the advantages will be even fewer. There are no economic advantages for Corpus to be built before the middle Parana dams. There could be no advantages with regard to the financing for Corpus. And there are obvious geopolitical advantages. However, favoring the middle Parana projects is the fact that they will be exclusively Argentine.

The Misiones area could tomorrow be the Beagle of today, with the aggravating factors of Brazil's presence there, with ideological and linguistic (also Paraguayan) penetration and the fact that this area has the least nationalistic people of all Argentina. By building Corpus, the area will be defended. By not building it, the area will be more difficult to defend. Brazil wants Misiones. In this way, Brazil would be able to control a substantial part of the Uruguayan River, with all that this implies for the River Plate Basin (the supplier for Salto Grande).

Therefore, Argentina must implement the following strategy:

1) Delay as much as possible the signing of any agreement on Corpus, sending diplomats who will apparently negotiate but who really don't, and at the same time, will not allow relations to cool down to the point where the other two parties lose interest.

2) Try to pry Paraguay away from Brazil in every possible way.

3) Try to gain the maximum possible advantage which could be obtained from hydroelectric reconciliation (it is better to use this term rather than negotiation). A 112-meter waterhead for Corpus would be a good deal for Argentina as long as Itaipu operates with 18 turbines and not 20 as they have been saying lately.

4) Wait for the possibility of some change in Brazilian foreign policy during the Figueiredo government (improbable) or in Paraguayan foreign policy (even more improbable) which could favor Argentina.

5) Wait for some important internal change in either of the two countries. The only change which could favor Argentina's position would be a total democratization process in Brazil. Even though this would a very difficult, it is not impossible. To think about this possibility in Paraguay is even more utopian.

COLUMNIST CITES DANGERS OF BRAZILIAN 'INTRANSIGENCE'

FY270120 Buenos Aires HERALD in English 25 Feb 79 p 3 FY

[From the "Politics and Labour" column by James Neilson]

[Text] On Friday the Vatican officially announced that Pope John Paul II had agreed to mediate in the dispute with Chile over the Beagle Channel. The news was welcome, but by the time it came the confrontation with Chile had taken second place to a far more important one across the northern frontier, with Brazil. On Monday Brazil's ambassador in Buenos Aires, Carlos Garcia de Souza, had let the Foreign Ministry know that his country was breaking off negotiations over the rival and mutually incompatible hydroelectric projects using the waters of the River Parana. This dispute affects immediate national interests, not remote theoretical ones, and Brazil is a far more formidable foe to Argentina than Chile, which is a small and relatively poor country, ever could be.

Brazil is engaged in a major drive to exploit its hydroelectric resources, and a few miles from the Argentine frontier is building, in conjunction with Paraguay at Itaipu, the world's biggest hydroelectric complex. This enormous enterprise is already transforming what had until a few years ago been a remote, sparsely-inhabited area into a dynamic centre for economic growth. It is entirely possible that a large city could spring up within a decade in the shadow of Itaipu, attracted not merely by the available energy--more than all Argentina now produces--but by Brazil's policy of bolstering frontier zones. As concern about the Brazilianization of parts of Misiones is already very much alive here, the political impact of Itaipu would be great even if the Parana never flowed through Argentina at all.

But it does, for a thousand kilometers, and its economic value to the country is being adversely affected by Brazilian exploitation of its upper reaches. Some Brazilian industries are using it as a private sewer, which is bad enough. But making things worse is the fact, admitted by the Brazilians, that the presence of Itaipu prevents Argentina from exploiting to the full its share of the available hydroelectric potential. If the projected Corpus dam were to be built with a retaining wall 120 meters high, then Itaipu's turbines would be flooded. If, however, Corpus were to be built with its wall a safe--from the Brazilian viewpoint--95 meters high, then it would no longer be an economically worthwhile proposition. The obvious solution would be for the two countries to reach a compromise, with both projects being modified to a certain degree in the interests of mutual harmony. But this is something the Brazilians refuse to countenance, because they know very well that any compromise solution would entail some modifications in their plans for Itaipu.

Brazil's reluctance to make any changes in Itaipu is understandable. A great deal of national pride has been invested in the project, "O Mayor do Mundo," and the military regime likes to show some machismo in the international arena. It is obliged to be conciliatory in its disputes with the United States and the countries of Europe, but it feels no obligation to behave likewise towards Argentina. So on the issue of whether downriver countries should be consulted over upriver plans--a principle generally admitted elsewhere--the Brazilians are being remarkably obstinate. Last week they proved the cynics--who took it for granted that they had no interest in serious negotiations about the rival dams--completely right. Brazil's unwillingness to take Argentina's viewpoint into consideration is very shortsighted. For years to come energy demand is likely to be stretching supply, and should difficulties develop the Brazilians will provide a handy scapegoat. Brazil's attitude is also certain to harden the stance of the many nationalists here who feel Argentina's future survival is gravely threatened by Brazilian ambitions. Although a certain rivalry between the two biggest South American countries is healthy and unavoidable, the bitterness that will stem from Brazil's intransigence over Itaipu will probably outweigh what benefits there are to be had from refusing to alter the dam in any way at all.

FSB LEADER ATTACKS BANZER, ELECTORAL COURT

FY231646 La Paz EL DIARIO in Spanish 21 Feb 79 p 5 FY

[Text] Santa Cruz, 20 Feb--Carlos Valverde, leader of the Bolivian Socialist Falange [FSB], has said that the present president of the National Electoral Court should not hold that post since he was the person responsible for the electoral fraud in 1978.

He added that his party is certain that the fraud will be repeated, but that it will not withdraw from the struggle or engage in rebellion "because it is supported by the majority of the people."

Valverde further said that all party staffs are organized and that there is no problem in starting the campaign a little late.

He believes that his party should go alone to the elections, although the last word is never spoken in politics.

Regarding the Nationalist Front, he stated that it has no reason to exist and that Hugo Banzer is morally unqualified to speak: "It would be better for him to remain silent and not intervene in politics again since he is open to accusations because of the economic situation in which he left the country. Now he wants to return to complete his work of destruction. If he comes, it should be to defend himself, not to dedicate himself to politics, because he has failed," he added.

He concluded by saying that the Nationalist Front is a trial balloon which cannot fly because it has already burst.

FORMER PRESIDENT BANZER ACCUSED OF GENOCIDE

FY240142 Paris AFP in Spanish 0033 GMT 24 Feb 79 FY

[Text] La Paz, 23 Feb (AFP)--A second criminal suit was filed today in the Supreme Court against former President Hugo Banzer, according to reports disclosed here by the plaintiff.

Lawyer Luis Antezana is accusing former President Banzer of genocide for his direct responsibility in the so-called Tolata massacre, a military action in the Cochabamba Valley, 400 kilometers south of La Paz. According to Antezana, the action resulted in "the deaths by shooting of at least 100 peasants." The so-called Tolata massacre took place in the Cochabamba locality on 20 January 1974.

The first suit filed in the Supreme Court accuses Banzer of high treason in his handling of the negotiations with Chile for an outlet to the sea, and was presented by lawyer Anibal Aguilar. The Supreme Court has still not determined whether there is sufficient legal grounds for the charges presented.

BRIEFS

BRITISH LOAN GRANTED--London, 22 Feb (TELAM-EFE)--It was reported today that U.K. Minister of Overseas Development Judith Hart has announced that the British Government has granted Bolivia a $38-million loan. The United Kingdom had cut off economic aid to Bolivia in 1977 due to this country's violations of human rights. [Buenos Aires TELAM in Spanish 1425 GMT 22 Feb 79 FY]

ITAMARATY DENIES SENDING ARMS AID TO SOMOZA

PY262222 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Feb 79 p 7 PY

[Text] Itamaraty spokesman Luis Felipe Lampreia yesterday denied charges that the Brazilian Government is giving military and political assistance to the Nicaraguan regime of Anastasio Somoza. The charges were made in Paris by a leader of the Sandinist National Liberation Front (FSLN), Henrique Schmidt, who branded Brazil as one of the dictatorial Latin American regimes supporting dictator Anastasio Somoza, thus preventing his ouster. The Sandinist leader said that 3 weeks ago the Netherlands freighter MS "Dalmatia" arrived in the port of Corinto with a load of 60 armored vehicles manufactured in and exported by Brazil.

Another charge made by the British magazine ARMIES AND WEAPONS is that the Brazilian company Engesa might have sold to the Soviet Union 90-mm cannons. In an 8-page article the magazine states that Engesa might have provided the Soviet Union with the technology necessary for the manufacture of those cannons, after the combat vehicles sold by the Brazilian company to Libya aroused the interest of the Soviets because of the cannons they carry.

The British magazine gave no source for the information, saying only that the information originated in South America and was confirmed in Belgium since the 90-mm cannons are manufactured in Brazil under a license from the Belgian company Cockrill.

The magazine questioned how Brazil could sell such products to the Soviet Union, even by indirect means; thus making it clear that the operation might have been carried out through Libya, which is a large importer of Brazilian combat vehicles, missiles and other weapons.

HEADS OF DELEGATIONS ATTENDING INAUGURAL ANNOUNCED

PY262154 Rio de Janeiro JORNAL DO BRASIL in Portuguese 24 Feb 79 p 2 PY

[Text] The foreign minister of Haiti, the minister of communications and transport of Guinea-Bissau and the minister of natural resources of Guyana are the three highest-ranking officials in the new list released by Itamaraty yesterday of heads of special foreign missions which will come to Brasilia to attend the inauguration of President-elect Joao Baptista Figueiredo. According to the new list, nine other missions will be headed as follows:

Ghana: Gen M.A. Odarty Wellington from the Military Command;
Guinea-Bissau: Transport and Communications Minister Herculano Vieira;
Haiti: Secretary of State for Foreign Affairs Gerard Dorcely;
Iraq: Under Secretary of Foreign Affairs Mantil Abdul-Hamel Urcuri;
Guyana: Energy and Natural Resources Minister Hubert Oliver Jack;
Pakistan: Ambassador in Brazil Z.N.M. Farooqi;
Bangladesh: Government Envoy Ali Kaiser Hassan;
Israel: Acting Prime Minister Yorain Aridoe; and
Yugoslavia: Vice President of Presidential Cabinet. [as published]

ITAMARATY NOTE DETAILS PRIOR PARANA AGREEMENTS

PY270152 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Feb 79 p 5 PY

[Text] Itamaraty released a note yesterday comparing three topics in the basic document prepared in Rio de Janeiro in September 1978 on the Itaipu and Corpus projects with the talks held in Punta del Este 3 months later during the conference of foreign ministers of the River Plate Basin countries. The note says that its publication is intended "to clarify reports and comments carried in the press."

Itamaraty said unofficially yesterday that the note was mainly intended to refute insinuations made by Argentine negotiators that the Brazilian Government was deliberately withholding information regarding the Punta del Este talks.

The full text of the note distributed to the press follows: "In order to clarify reports and comments published in the press, Itamaraty informs that the modifications to the Rio de Janeiro document which the three parties--Argentina, Brazil and Paraguay--agreed in Punta del Este to submit to their governments were included in the document in which a comparison is made between the document of Rio de Janeiro dated 13 September 1978 and the Argentine proposal dated 30 January 1979.

"In the alluded document of comparison released on 19 February 1979, letters A, C and H of Paragraph 5 have parenthetical explanations (the Punta del Este version). The letters in both versions are herein repeated:

"A. The normal maximum water level for operation--save in exceptional natural circumstances--for the reservoir of the hydroelectric project which Paraguay and Argentina plan to build in the Corpus zone will be set at 105 meters above sea level at the site of the dam, in reference to the zero sea level of the Argentine Military Geographic Institute of Mar del Plata [IGM] and which was adopted in 1977 by the joint Paraguayan-Argentine Parana River Commission. This study was entitled 'Utilization of the Parana River Along the Border Line Stretching From the Mouth of the Iguacu River to the Encarnacion-Posadas Line, Referring to the Corpus Zone Particularly' (in which a difference of 0.0611 meters was found to exist between the zero level of the Argentine IGM and that of Brazil). Through the trilateral technical commission, the three countries will take measures to install markers as reference points of the Argentine IGM zero level in the proximity of the Iguacu River mouth in their respective territories (Punta del Este version).

"A. The normal maximum water level for operation--save in exceptional natural circumstances--for the reservoir of the hydroelectric project which Paraguay and Argentina plan to build in the Corpus zone will be set at a height of ... above sea level, at the site of the dam, in reference to the zero sea level of the Military Geographic Institute of Mar del Plata (orginial version).

"C. The total output mentioned above will be, whenever the compliance with the parameters of navigation allows, that resulting from the operation of the set of generators for the hydroelectric utilization of Itaipu, composed of 18 700-megawatt units each, with a maximum outflow on the order of 12,600 cubic meters per second, in accordance with the terms of the notes exchanged on 18 October 1978 between the governments of Brazil and Paraguay (Punta del Este version).

"C. The total output mentioned above will be, whenever the compliance with the parameters of navigation allows, that resulting from the operation of ... turbo-generating units with a nominal power of ... each, and with a total maximum outflow on the order of ... (original text).

"H. The present agreement is based on the constant interrelation among the data specified in the foregoing items A, B, C and D; consequently, the alteration of any particular datum will call for the renegotiation of all the others (Punta del Este version).

"H. The present agreement is based on the constant interrelation between the height of the hydroelectric project planned in the Corpus zone and the flexibility of Itaipu's operation as established in preceding items A and B (original text).

"No other text was written in Punta del Este."

MEDIATION WILL NOT BE SOUGHT FOR BOLIVIAN SEA OUTLET ISSUE

PY261240 Buenos Aires LATIN in Spanish 1634 GMT 24 Feb 79 PY

[Text] Santiago, Chile, 24 Feb (LATIN)--Acting Foreign Minister Enrique Valdes last night rejected the possibility that Chile and Bolivia may ask for the mediation of a third country to seek a satisfactory solution to the Bolivian desire for an outlet to the sea. Valdes told reporters that the possibility does not exist because Chile has no unsolved territorial problems with Bolivia.

"This is a unilateral problem and I do not see how there can be any mediation of a problem which concerns only the Bolivians," Valdes said answering reporters' questions. He added: "Mediation is normally needed when two countries are facing common problems, and we have no pending problem with Bolivia, as has been clearly stated."

Just a few days ago, the Bolivian foreign minister said his government would make an effort to seek the pope's mediation. The pope is now mediating in the southern border conflict between Chile and Argentina.

UNIONS DEMAND REPEAL OF GOVERNMENT DECREES

PY222041 Buenos Aires LATIN in Spanish 1750 GMT 22 Feb 79 PY

[By Rene Oviedo]

[Text] Santiago, Chile, 22 Feb (LATIN)--Important unions today demanded the repeal of recent government decrees which, in their opinion, damage the interests of Chilean workers. The Union of Chilean Workers [UTRACH], the National Association of Government Employees, the Oil Workers Command, the "Libertad" National Peasant Confederation, the Association of Chilean Postal and Telegraph Workers, the National Union of Railway Workers and others said they would resort to the Supreme Court because they consider some of these decrees unconstitutional.

The decrees concern rules which should be observed in holding union assemblies, the elimination of the obligation to pay union dues and modifications to the retirement system.

UTRACH, which represents workers and employees of the private sector, maintained that the decree on union meetings seriously restricts workers because, it emphasized, it establishes rules which prohibit assemblies from being held wherever or whenever desired. UTRACH believes that the logical thing to do is to repeal the decree.

It also stated that workers' payment of union fees should be compulsory and not voluntary in order "to grant economic stability to the union institutions and to contract consultants which would permit the organizations to carry out responsible work."

UTRACH also repudiated the decree which modifies the system of pensions and retirements. According to the decree, men and women could be retired in the future at 65 and 60 years of age, respectively. Previously, men and women could retire with 35 and 25 years of service. UTRACH stated: "We firmly believe that the decree we are criticizing is legally unconstitutional, a question which we will put before the Supreme Court at the appropriate time."

Other unions which fall under the heading of the "Group of 10" said that the decree on retirement regulations "ignores the patrimonial nature of pensions and retirements as upheld by Article 10, No 10 of the state's political constitution, which specifies their inalienable nature. The group added: "Consequently, interpreting the feelings of the workers we represent, we demand the repeal of all the measures which have been adopted against the interests of workers, especially those contained in Decree Law 2448," which concerns retirement regulations.

The "Group of 10" has been a constant critic of the government's labor policy. The group includes railroad workers, government employees, private sector workers, maritime workers and some other important groups.

DISPUTE ERUPTS OVER DISMISSAL OF UNION LEADERS

PY240202 Buenos Aires LATIN in Spanish 1926 GMT 23 Feb 79 PY

[Text] Santiago, Chile, 23 Feb (LATIN)--The Chilean Copper Corporation [CODELCO] is adamant about the dismissal of four union leaders who were fired at the Chuquicamata mine, according to Bernardino Castillo, president of the Chilean Copper Workers Confederation. Castillo made this statement after meeting with CODELCO Vice President Col Gaston Frez and Chuquicamata Manager Hugo Jorquera to find a way to reinstate the four leaders. On Friday the management of Chuquicamata dismissed Fredy Hinojosa, Carlos Agalde, Luis Rojas and Humberto Guerra, whom it accused of holding meetings during working hours inside the mine.

Castillo traveled to Santiago on Tuesday to launch high-level talks to obtain the reinstatement of the union leaders. In view of the initial failure of his efforts he will resume talks on Monday. The regional leaders of Chuquicamata enterprise will hold a meeting on Monday to decide their final position toward the dismissal of their colleagues, with whom they publicly expressed their solidarity at the beginning of the week. It is possible that on Monday the union leaders will decide to take the matter to labor courts.

CODELCO based its decision on the fact that the dismissed leaders had been warned several times about holding meetings during working hours, a charge which was refuted by the accused. CODELCO made immediate use of the current labor laws against the leaders "on the grounds that their activities were detrimental to state security."

On Wednesday Bernardino Castillo was unable to hide his despair when he told the press: "I will continue struggling until the end because I still believe this measure is outrageous."

The top leaders of Chilean copper mineworkers have met with Mines Minister Carlos Quinones, who merely listened and indicated that this is a problem between CODELCO and its employees and, therefore, has nothing to do with the government.

PANAMA SOLICITS CHILEAN COPPER-MINING EXPERTISE

PY221312 Santiago Chile Domestic Service in Spanish 1000 GMT 22 Feb 79 PY

[Recorded passages within quotation marks]

[Text] The Panamanian Government has requested Chilean advice for exploiting recently discovered copper deposits which will make Panama one of the leading copper-producing countries in the world.

This announcement was made here in Chile by Panamanian Ambassador Horacio Bustamante after he met yesterday with junta member Fernando Matthei. During the meeting, the ambassador delivered to General Matthei the greetings of former Chief of Government Omar Torrijos and Panamanian President Aristides Royo. Moreover, Ambassador Bustamante reasserted his high opinion of Chile.

"This is a great country with which we maintain very cordial relations and with which we are about to sign a very important agreement and create a joint commission in April, thus strengthening even more the ties which unite us."

Furthermore, the Panamanian diplomat disclosed some details of the agreement which will be signed in April.

"With pleasure, this will be a cooperative agreement covering all fields, particularly the scientific, technological, economic, cultural and tourist areas. We are eagerly looking forward to this agreement. On our part, we will contribute with anything within our means since Panama is a very small country."

Ambassador Bustamante also explained that his government has asked Chile to offer advice in copper exploitation.

"We are also hoping to obtain much from Chile regarding copper exploitation since not very long ago we discovered in Panama large copper deposits which I believe will make us one of the largest copper-producing countries in the world. Therefore, we are requesting assistance from Chile. Some Chilean experts are already in Panama and there will be several Panamanian missions coming to Chile. We want to have a great ally in the international copper trade."

According to the diplomat, the copper deposits which have been discovered are located in Chiriqui Province, specifically in Cerro Colorado.

CORVALAN SAYS U.S. STILL BACKS PINOCHET REGIME

PY241527 Paris AFP in Spanish 0254 GMT 24 Feb 79 PY

[Text] Lisbon, 23 Feb (AFP)--The Chilean people are not expecting U.S. intervention to overthrow the regime of Gen Augusto Pinochet, Luis Corvalan, secretary general of the Chilean Communist Party, said here tonight.

Corvalan, who is in Portugal at the invitation of this country's Communist Party, expressed the belief that Washington continues to be the major supporter of the Chilean regime and stated that the U.S. administration is not interested in the eventual fall of Pinochet. Despite some changes in tactics, the United States has not changed and continues to support reactionary regimes, he added.

Commenting on the future of his country, Corvalan stated that the popular unity is currently seeking an alternative of cooperating with the Christian Democratic Party [PDC]. He noted that the PDC is active today as the political opposition and is the object of persecution despite its actions opposed to the government of the late President Salvador Allende.

The Communist leader stated that the regime of General Pinochet is not much different from that of Hitler, noting that the number of detentions increased last year and that the bodies of many missing Chileans have been discovered.

DEVELOPMENT MINISTER COMMENTS ON ECONOMIC ISSUES

PA231738 Bogota EL ESPECTADOR in Spanish 21 Feb 79 pp 1-A, 7-A PA

[Excerpts] The national government reiterated yesterday that it will adopt the decision to reduce tariffs and facilitate or liberalize imports in order to meet the requirements of the Colombian people "in view of the fact that excessive increases and the abuses of the past month lack a real and viable economic basis."

The announcement was made by Development Minister Gilberto Echeverry-Mejia, who said that in January we were subjected to hysterical price hikes which did not reflect economic realities or real costs.

The development minister shares this position with his colleague, Finance Minister Jaime Garcia Parra, who emphasized recently that "if there should be a shortage or an excessive price rise in response to increased demand, the government will take steps to establish an equilibrium by reducing tariffs and by other even more direct methods."

Minister Echeverry-Mejia said that the only answer to inflation is to increase economic production efficiently and competitively.

Speaking to a group of private businessmen from Medellin on the occasion of Raul Mejia Saldarriaga's decoration with the Order of Industrial Merit, the minister said: "You have already heard that what the government expects of you is not just a quota of sacrifice but also a quota of patience to allow costs to achieve their normal level slowly and gradually rather than all at once, as is occurring now, which only creates an inflationary spiral that could grow daily." Subsequently, the minister said that the country's industrial development is lagging behind its potential, "and we want to recover lost time because we have faith in Colombia."

Regarding the government's financial policy, the minister noted that the industrial financing fund went from a deficit calculated at 700 million pesos as of 31 December 1978 to a budget of 4.5 billion for this year. [sentence as published]

The minister said that in a few weeks the country will have a plan for the iron and steel industry requiring a $1-million investment.

He also announced that the government has decided to develop a large-scale fishing industry on the Pacific coast to achieve in that area something unprecedented in Colombia because, inexplicably, Colombia has never been a fishing country.

"Talks are underway at this time among the government, the private sector and international investors for the purpose of implementing this program as rapidly as possible," he added.

The following were among the main announcements made by Minister Echeverry-Mejia:

The Industrial Development Institute is considering the establishment of a large fertilizer plant in the central part of the country. In addition, the contributions for Cerromatoso and Cerrejon have already been completed. [as published]

Through the Mines and Energy Ministry, the government is preparing for large-scale development of the coal industry in conjunction with Colombia's private sector in areas other than Cerrejon.

We hope to arrive rapidly at an agreement with Paz del Rio in order to implement the iron and steel plan. The government is aware that unless the plan materializes imports of steel and its byproducts will rapidly surpass imports of oil, and the latter are expected to climb to over $500 million by 1985.

REFUGEES IN PANAMANIAN EMBASSY GRANTED SAFE-CONDUCTS

PA262104 Bogota Radio Cadena Nacional in Spanish 1830 GMT 26 Feb 79 PA

[Text] Bogota--The national government today authorized the departure of the eight refugees in the Panamanian Embassy. The Foreign Affairs Ministry confirmed to Radio Cadena Nacional the issuance of safe-conducts to the members of the Villafane Diaz family. The refugees remained 8 days at the Panamanian Embassy. This is the first time in several years that such a large family group has sought refuge in a foreign embassy in Colombia. The safe-conducts were issued to the following persons: Gentil Eduardo Villafane Diaz; Yolanda de Villafane; Luisa, 8; Tamara (Elia) Villafane (Ospino); Gentil Antonio Villafane; Eva Diaz de Villafane and the Villafane Sanchez [name as heard] couple.

The Panamanian Embassy told this station that the refugees will leave the embassy on Tuesday at 0730 via Braniff. Panamanian Ambassador Cesar Rodriguez said that his government will give the refugees all of the guarantees provided by international laws while they remain on Panamanian soil.

PAPER CRITICIZES CARTER'S 'UNTIMELY' MEXICO VISIT

PA240359 Bogota EL ESPECTADOR in Spanish 23 Feb 79 p 2-A PA

[From "Dia a Dia" column: "Untimely Trip"]

[Text] U.S. President Carter's virtues do not include a sense of timing, as he painfully showed his country and himself with the trip to Mexico that he just completed. The tribute that the Mexican people paid to Pope John Paul II was still too fresh, and within a few days the French president will also arrive. It is most likely that his Mexican counterpart will embrace the latter at the airport, where he will be accorded a really warm welcome.

Therefore, Mr Carter has left himself open to comparisons that will not favor him in the least. This was unnecessary, for if it were a matter of negotiating oil, ministers and ambassadors could have done it, but certainly not his energy secretary, a boor whose crudeness and lack of manners have done almost as much harm to relations between the two countries as the unfortunate events of the last century.

What happened to Mr Carter is a consequence of historical ignorance, the provincial and naive attitude that pervades the majority of his fellow countrymen, even if they live in large cities. However, like their remote English forebears, they feel that those who live beyond their borders and do not speak English, the language of God, are savages hardly fit for conversation.

Therefore, it is fitting for Mr Carter and his advisers to find out what has happened and what is going on in other countries, as well as the reasons behind these events, in order not to make a fool of himself, something which his country does not deserve.

POVEDA: INTEREST GROUPS WILL NOT DESTROY DEMOCRACY PLAN

PA231513 Quito Cadena del Triunfo in Spanish 1255 GMT 23 Feb 79 PA

[Text] The reestablishment of democracy in Ecuador will inexorably take place on 10 August, Adm Alfredo Poveda, president of the government's military triumvirate, has reaffirmed. Poveda, who was participating in a ceremony held on the occasion of the promotion of three navy rear admirals, charged that several pressure groups have tried to discredit and destroy the plan for the restoration of democracy. He said in his speech that there have been attempts to destroy the plan because it did not turn out to be in accordance with certain individual or group interests. Opponents of the plan have resorted to cruel and perverse attacks on the armed forces government and its members.

Poveda claimed that in making these attacks even the freedom of expression has been abused, but that the unity, military fortitude and importance of the present political objective have enabled the regime to be tolerant. Nonetheless, he warned, once the fundamental phases of the constitutional restoration process have been fulfilled the government will concern itself with defending the honor and prestige of the military institution.

In response to the criticism by several political leaders of the regime's actions, which has intensified in the last few days, President Poveda affirmed that a great nation with huge prospects for development is currently being built. He added that the military government's work will not be destroyed by the ingratitude, ignorance, ill will or hatred of those who oppose economic, social or political changes.

PNR DEMANDS IMMEDIATE RELEASE OF ARRESTED LEADERS

PA261625 Quito Voz de los Andes in Spanish 1230 GMT 26 Feb 79 PA

[Text] Revolutionary socialist leaders have stated that the arrest of two of the most important leaders of their party is not in line with the democratic spirit that must exist during the present process for the juridical restructuring of the state.

They noted that the hunger march convoked by the Pichincha Workers Federation [FTP] cannot serve as a basis for increasing repression against political and class leaders of the exploited sectors who have done nothing but express the true sentiments of the popular sectors.

The Executive Committee of the Nationalist Revolutionary Party [PNR] has protested the unjustified arrest of the party's secretary general, Fernando Maldonado, and Telmo Hidalgo, member of the party's Executive Committee and FTP president. The PNR Executive Committee has demanded the immediate release of those arrested.

DEMOCRATIC LEFT, ALFARISTS CANCEL POLITICAL AGREEMENT

PA242100 Quito Voz de los Andes in Spanish 1730 GMT 24 Feb 79 PA

[Text] Leaders of the Democratic Left and the Alfarist Radical Front have announced to the Supreme Electoral Tribunal their decision to call off their political agreement, tirbunal President Gustavo Chavez Estrella has announced.

FOREIGN MINISTER MEETS WITH ARGENTINE AMBASSADOR

PY220046 Asuncion LA TRIBUNA in Spanish 21 Feb 79 p 4 PY

[Excerpt] According to local sources, Paraguay will support Brazil's answer to the latest Argentine proposal aimed at reconciling Corpus and Itaipu.

In this connection, the Paraguayan foreign minister met yesterday with Argentine Ambassador to Paraguay Sergio Novoa, but at the end of the meeting the two officials refused to comment or specify the subjects discussed.

Novoa did say, however, that Paraguay is not required to give an answer to Argentina because the latter "merely submitted a working paper" and not a proposal which "would warrant an answer."

MORE ON DIPLOMATIC ACTIVITY SURROUNDING PARANA PROJECTS

PY261423 Asuncion ABC COLOR in Spanish 25 Feb 79 p 10 PY

[Excerpt] Gen Norberto Novoa, Argentine ambassador to Paraguay, left yesterday for Buenos Aires. It was learned that he left the country by car and that he is on vacation. Nevertheless, reports in Buenos Aires state that the diplomat will meet on Monday with Argentine Foreign Minister Carlos Washington Pastor and with Oscar Camilion, Argentine ambassador to Brazil, who has been called back by the Argentine Foreign Ministry.

It was believed that the meetings will be the start of the work sessions which will study the position Argentina will adopt regarding the recent Brazilian rejection of the Argentine proposal to make the Corpus and Itaipu hydroelectric projects compatible. It has been confirmed that Ambassador Novoa is not carrying any note from the Paraguayan Foreign Ministry.

The Argentine diplomat left the country by car accompanied by family members. According to Argentine Embassy sources, the Argentine ambassador is expected to arrive in Buenos Aires today.

Meanwhile, at the Paraguayan Foreign Ministry, the tight secrecy which prevailed during the entire past week continued. Foreign Ministry sources stated, however, that the issue is being discussed at the highest level. A government spokesman stated last week that Paraguay is studying the situation "calmly and without any haste" since it must act "very carefully" in view of the special position in which it finds itself as a partner in the Parana River undertakings: Itaipu (with Brazil) and Corpus (with Argentina).

EDITORIAL ON BRAZIL'S REJECTION OF ARGENTINE PROPOSAL

PY212334 Asuncion HOY in Spanish 21 Feb 79 p 9 PY

[Editorial: "The Shelves Have Tumbled Down"]

[Text] The shelves have tumbled down--shelves carefully erected by three aspirants to accord- and treaty-makers to obtain from rivers the energy which the world needs and will continue to need in the future. Loaded with papers and a thousand different conflicting proposals, the shelves suddenly lost stability and tumbled down burying--God knows until when--the results of so many negotiations, so many meetings and so many contacts whose cost will have to be charged to who knows what budget.

Brazil's recent rejection of the latest Argentine proposal to reconcile the waterheads of two hydroelectric projects--the one real and the other mere paperwork--is simply depicted by the figure we have just drawn. It gives the impression that the Brazilian Government has become fed up with so many proposals and counterproposals caused by the lack of substance--resulting from the true difference between the progress of Itaipu and the mere talk about Corpus--to the point that it blew up and cast overboard even those accords reached in prior talks--accords which had never received the official approval of the countries involved.

It could also give the impression of being the last shot of a team which is about to surrender its turn to another, and did not wish to hand over any problems to its successor, but rather a new leaf free of failures or controversial notes.

Anything is possible in view of Brazil's surprising attitude, which was not exactly expected since it had been repeatedly stated that Azeredo da Silveira's Foreign Ministry would not add anything new to the process of negotiation, but would let the new administration provide the solution for pending issues. However, here is the rejection and it is impossible to say for sure if it was made without the knowledge of General Figueiredo's incoming administration and has no relation to the attitude this administration will adopt toward these issues.

In line with an age-old tradition, Brazilian diplomacy is not guided by personal whims or short-term ideas. It has maintained a steady course and each of its attitudes is the result of an in-depth study of background and consequences without ignoring a single detail.

Although Itamaraty's attitude is surprising, some precedent can be found in the remarks recently made by the spokesmen for the binational Itaipu enterprise who stated that the work schedule of the great project would not be delayed and some time may even be gained without regard for side issues because the Itaipu treaty does not provide for the construction of another dam 200 kms downstream.

In the meantime Paraguay has to fulfill its role of mediator in the conflicts between its two great neighbors and partners in the hydroelectric projects which will use the waters of the Parana River to produce energy. Paraguay is the mediator and the partner, but it must also maintain a strict defense of its own interests because if it fails to do so, no one else will do it. Paraguay has done so until now and no one can doubt that it will continue doing so.

However, should Paraguay be forced to choose sides in this controversial situation, it must take the side of reality against that of fiction, without this implying preference for any of its neighbors. For us, Itaipu is there. It is practically half built and it has a deadline which by all indications will be fulfilled. It may even be advanced. In a few years it will become operational and will begin to generate wealth which will benefit the country to a greator or lesser degree. Corpus could come to pass, but for the time being it is up in the air. And although it could satisfy future needs, the time at which it will do so is far away, although we cannot forecast that it will take 52 years after the signing of the first document to obtain financing, as happened with Yacyreta.

Brazil's rejection has closed a chapter full of numbers, among which prevailed the 95, the 98.5, the 105 and the 108 [reference to water levels]. Now we will have to open another chapter for things which are not a tangible reality as Itaipu is.

ENERGY COMMISSION MEMBER CALLS FOR INCREASED OIL PRICES

PA270015 Buenos Aires LATIN in Spanish 1545 GMT 26 Feb 79 PA

[Text] Caracas, 26 Feb (LATIN)--Radames Larrazabal, member of the National Energy Commission, charged here today that Venezuela's oil wells are being exploited to the maximum to supply part of the crude shortage on the world market as a result of the Iran crisis.

He said that in the past few days daily production has been above the 2.3-million-barrel mark, thus coming dangerously close to the top production capacity, a fact which could have harmful results for the wells. According to the latest bulletin of the Energy and Mines Ministry, the average daily oil production for the year increased last week to 2,293,522 barrels, an increase of 36.29 percent over the production volume of last year for the same period.

Larrazabal told the morning newspaper EL NACIONAL that the irony of this situation is that while oil prices could be increased to levels approved by Saudi Arabia, the United Arab Emirates, Kuwait, Algeria and Libya, the government argues that commercial contracts cannot be violated.

As the political crisis in Iran continues--a country that was producing 6 million barrels of oil daily--many Venezuelan experts and critics have urged the government to increase prices and have charged that transnational companies marketing the product are already reaping the benefits of the demand for oil.

Meanwhile, the government has argued that production cannot be increased since a 2.1-million-barrel daily average production limit has been established to safeguard the resource. Furthermore, prices cannot be increased because 3-month sales contracts were signed in December.

Larrazabal recalled the recent visit to Venezuela by Deputy Secretary of Energy John O'Leary, who on behalf of the most important buyer of Venezuelan oil came to discuss supply assurances. Larrazabal noted: An effort is being made to have Venezuela replace Iran as a sure source of supply for transnational markets. They are trying to find a sure supply so that the market will depend not on the producers but on the transnationals.

At the beginning of 1978, when the big consuming countries were expecting an OPEC oil price increase, they increased their reserves and reduced consumption. As a result, demand dropped in January and February. As sales dropped, the Venezuelans were forced to reduce production to 1.5 million barrels per day, and budget cuts of $500 million became necessary.

Larrazabal noted that with the same contracts in effect the country 1 year ago lost 4 billion bolivares ($1 billion) as a result of a unilateral reduction in purchases. Now we are losing over 6 million bolivares ($1.5 million) daily because prices cannot be increased, he noted. If the transnationals argued in the past that they could not buy oil from us because of low market prices, why can we not argue now that prices should be higher because of the greater demand?

PRICE OF RESIDUAL OIL TO BE INCREASED MARCH 1

PA270016 Buenos Aires LATIN in Spanish 1950 GMT 26 Feb 79 PA

[Text] Caracas, 26 Feb (LATIN)--Energy and Mines Minister Valentin Hernandez said here today that effective 1 March Venezuela will increase the price of residual oil [petroleo residual] by approximately $2.00 per barrel. This oil is sold on monthly contracts and represents 48 percent of Venezuela's oil exports.

The official, who returned from a trip to the Middle East last night, noted that there is a scarcity of oil in the world because of the suspension in the production of oil in Iran. However, he added that speculation must be avoided.

Hernandez told LATIN that the 1 March price revision will only affect 700,000 barrels per day of the so-called residual oil that the country sells on monthly contracts. He made the statements at the Miraflores presidential palace.

Hernandez noted that he went to Kuwait at the invitation of the government of that country for the inauguration of a plant for the production of liquid gases and that he held talks with oil authorities from Saudi Arabia, Qatar, the United Arab Emirates and Kuwait.

He added that certain countries have already increased their oil prices in view of the pressure from the demand side caused by the crisis in Iran. For this reason, Kuwait and Qatar established increases of 7 percent, Libya of 5 percent and Algeria is also talking about an increase.

Hernandez said that the Organization of Petroleum Exporting Countries will meet on 26 March to jointly discuss the oil situation. The important thing is to reach a figure that will satisfy all, he added.

The Venezuelan minister said that the increases do not represent much for the producing countries as far as revenue is concerned but they will draw the attention of the consumers to the choice between increasing production or reducing demand. Venezuela disagrees with increasing the oil production rate because it is a nonrenewable natural resource.

FINANCE MINISTER GIVES ASSURANCE OF INCREASED INCOME

PA232143 Caracas EL UNIVERSAL in Spanish 19 Feb 79 p 1-12 PA

[Interview with Finance Minister Luis Jose Silva Luongo in "Buenos Dias" column by Sofia and Carlos Rangel--no date given]

[Excerpt] [Question] It has been said that the incoming government will find state finances in hock, with income decreasing and enormous obligations to finish works already in progress and service the public debt. Is it true that the government to take over in March is in the same position as a person who does not have the money to meet his expenses?

[Answer] On the contrary, as I have already discussed with the incoming government's liaison commission, the incoming government is going to have funds which have not been included in the budget. For instance, the new income tax laws will be producing more funds than had been estimated by us. Our estimate of income was based on oil production of 2.1 million barrels daily. I have received a report from the Venezuelan Petroleum Company [PETROVEN] indicating that production will be 2.2 million barrels daily. This represents 100,000 more barrels per day than we estimated. Besides, the new administration will count on extra income from the new income tax laws and from oil production other than the 100,000 additional barrels reported by PETROVEN because of events in the world market which will inevitably bring about changes. How and when I cannot predict, but everything leads me to believe that the new administration to assume power in March will have additional income in its first year far above what we estimated.

With regard to portions of the budget which, it has been said, do not have sufficient funds, I must clearly state here that the ministers and directors of autonomous institutions certified at the Finance Ministry that they could manage with the funds assigned to them. If now it appears that those funds are not enough, it is due to circumstances beyond the estimate which we made and Congress approved. [paragraph continues]

In its first year in power the new government is going to have extra funds to use according to an additional credit system. The only problem we see is how it is going to use those funds and get approval from Congress.

If finance ministers were not serious, strict, objective and honest persons, public expenditures would soar to astronomic figures. If one were to pay attention to every request made by institutes and ministries, the nation's budget would have to be tripled and would still be short of funds.

Now the situation is different, but last year during the crisis we had a difficult time when oil production dropped during the first 3 months of the year. I tried to instill optimism and confidence into public opinion, which was being bombarded by the negative views of the international press. There even were persons who assumed an anti-Venezuela attitude because of the situation, which we knew would not last long. Last year's budget was lowered 2.6 billion bolivares, which by the way was the largest amount the budget has been reduced in the history of the nation, and the country absolutely did not suffer any disruption or problems because of it. I would like to know if services are going to improve totally just by supplying more funds to some departments. I have submitted a clear proposal to Congress in my reports based on increasing productivity, turning in more and improving our moral attitude, health, social security and education. Regarding the 228 billion bolivares I mentioned before, President Perez' administration used 45 billion bolivares for those sectors and still there were talks about a deterioration in services. No other government had assigned such large funds to those sectors so important to national life. I ask, are we going to have more and better services just by providing more and more funds to these two sectors?

MILITARY COURT ORDERS RELEASE OF DEPUTIES

PA221949 Caracas Radio Continente Network in Spanish 1530 GMT 22 Feb 79 PA

[Arnoldo Peroza report]

[Text] As reported by us, the military court has revoked the ruling of the Permanent War Council of Caracas, which had rejected the demand for the release of Deputies Salom Mesa Espinoza and David Nieves. Consequently, the court has ordered, on the basis of Article 143 of the constitution, that the two deputies be released immediately.

Mesa and Nieves are expected to be released from San Carlos jail in Caracas in a few minutes.

Deputy Says Niehous Alive

PA231848 Buenos Aires LATIN in Spanish 1637 GMT 23 Feb 79 PA

[Excerpts] Caracas, 23 Feb (LATIN)--U.S. citizen William Niehous is alive, Deputy Salom Mesa Espinoza said here on being released after serving 2 and 1/2 years in prison for his alleged involvement in the kidnaping of the businessman.

He is alive. I hope that he is alive because he would be an important witness in the judgment of this (?betrayal) and hoax by the present Venezuelan Government and the CIA, Mesa Espinoza said on leaving the San Carlos headquarters.

Niehous is a threat to the government and the CIA because he knew a lot about their maneuvers, Mesa Espinoza said.

The People's Electoral Movement (MEP), of which Mesa Espinoza is a member, has also announced that it will file suit against Perez for violation of the constitution and arbitrary action with regard to the case.

PEASANTS 'OCCUPY' OIL WELLS IN SOUTHEASTERN MEXICO

PA221747 Madrid EFE in Spanish 0025 GMT 22 Feb 79 PA

[Text] Mexico City, 20 Feb (EFE)--Military forces remained in a state of alert today in the southeastern part of the country in the face of the peasant occupation of several oil wells in the area where Mexico's richest producing deposits are located. Judicial authorities had ordered army intervention to evict the peasants, but the state-owned Mexican Petroleum (PEMEX) asked that military action be postponed while a peaceful solution was being sought.

According to reports received here, today the peasants blocked 6 oil wells and 55 roads to demand payment of indemnity for alleged damage to their arable land. The blocking of the oilfields, which has intensified this month, has led to a "chaotic" situation in this rich area, which produces over 60 percent of Mexico's oil. According to PEMEX, the losses resulting from this year's blockades already amount to nearly 1 million barrels of oil.

PEMEX claims that the peasants, most of them Chontales Indians, are being incited by "unofficial agitators" who "are trying to practice extortion" by demanding excessive sums of money or the payment of indemnities for nonexistent damage. Most of the blockaded wells are located in Jalpa de Mendez and Cunduacan, some 30 km from Villahermosa, which in turn is about 860 km from here.

The problem in the southeast worsened when a peasant representative charged that PEMEX had expropriated 700 ejidos (production units created by the agrarian reform) without paying the corresponding indemnities. Yesterday the armed forces expressed their support for defending oil to President Jose Lopez-Portillo.

RUMORS OF PRESIDENTIAL VISIT TO YUGOSLAVIA, FRG DENIED

PA241504 Panama City ACAN in Spanish 0534 GMT 24 Feb 79 PA

[Text] Mexico City, 23 Feb (ACAN-EFE)--Mexican President Jose Lopez-Portillo will not be making any official trips abroad for the remainder of 1979, sources from the Mexican Foreign Relations Secretariat announced today.

The only exception, the same sources added, is the trip already scheduled for this summer for a meeting with President Jimmy Carter. This meeting could take place somewhere along the border in some city in the south of the United States. Thus, the Foreign Relations Secretariat has denied in this manner rumors of a Lopez-Portillo trip to Yugoslavia and the FRG.

ORGANIZATIONS DEMONSTRATE IN SUPPORT OF VIETNAM

PA231538 Paris AFP in Spanish 0202 GMT 23 Feb 79 PA

[Excerpt] Mexico City, 22 Feb (AFP)--Some 6,000 persons participated in a demonstration in a downtown avenue of this capital today to show support for Vietnam and call for the withdrawal of Chinese troops from that country. A total of 22 Mexican labor and political organizations, as well as several organizations of Latin American exiles, such as a Sandinist Front delegation, signed the summons to the demonstration.

The summons says: "After resisting and overwhelmingly defeating the French and U.S. interventions...Vietnam is again subjected to a new aggression unleashed by the present leaders of the People's Republic of China. This aggression represents a serious threat to the conquests of the peoples of Southeast Asia and to world peace."

ROYO MEETS WITH U.S. CONGRESSMEN, DISCUSSES CANAL MATTERS

PA261930 Panama City LA ESTRELLA DE PANAMA in Spanish 26 Feb 79 pp 1, 14 PA

[Text] In a meeting with members of the U.S. congressional committee on merchant marine and fisheries, the president of the republic, Aristides Royo, stressed the importance that the preservation of the historical patrimony--such as letters, documents, books, museum pieces, equipment and installations--has for Panama. He noted that the Panamanian Government and people trust in the respect that the Americans must show for the country's historical and cultural possessions.

The congressional committee, headed by John Murphy (Democrat from New York), paid a courtesy visit on President Royo Friday. During the meeting the members of the committee and the Panamanian chief of state talked about various aspects of the implementation of the Torrijos-Carter treaties, whose legislation is currently under discussion in the U.S. House of Representatives.

Another of the aspects stressed by Royo was the labor policy in the Canal Zone, affirming that the Panamanian and U.S. workers who currently operate the canal will keep their jobs, and that their rights will not be affected. Royo noted that the government position had already been told to labor leaders in the Canal Zone.

The president was accompanied by Foreign Minister Carlos Ozores and the director general of the canal authority, Gabriel Lewis Galindo. Congressman Murphy was accompanied by his colleagues Robert Sauman (Republican from Maryland), David Bonior (Democrat from Michigan), Norman Lent (Republican from New York), William Carney (Republican from New York), Michael E. Lowey (Democrat from Washington), Joe Wyatt Jr (Democrat from Texas) and Melvin Evan (Democrat from the Virgin Islands) and Ambler Moss, U.S. ambassador to Panama.

CANAL LABOR POLICY COMMITTEE ESTABLISHED

PA241554 Panama City Televisora Nacional in Spanish 2315 GMT 23 Feb 79 PA

[Text] Gabriel Lewis Galindo, general director of the canal authority, announced at a press conference this afternoon the creation of a committee to establish the labor policy for workers who will come under Panamanian labor jurisdiction when the Torrijos-Carter treaties enter into effect. According to the information supplied by the director general, Lewis Galindo; the minister of labor and social welfare, Oyden Ortega; and the adviser to the general director, Fernando Manfredo the committee will prepare a report, to be submitted to the Executive Council on 20 March, containing solutions to the labor issues concerning the Canal Zone workers who will come under Panamanian jurisdiction. On 1 April, the Canal Zone authorities will reveal the status of the Canal Zone workers who will remain at their posts and those who will be dismissed. The Panamanian Government has already prepared a special program to provide work for the 900 workers who will come under our jurisdiction.

The members of the special committee are Oyden Ortega, labor and social welfare minister, as president; Government and Justice Minister Adolfo Ahumada; Walter Durling, of the National Labor Commission; Saturnino Mauge, president of Local 900; Jose L. Delgado, of the Canal Zone Dockworkers Union; Dean Butcher, member of the Confederation of Workers of the Republic of Panama, an affiliate of the National Council of Workers; Elmer Simmons, for private businessmen operating in the Canal Zone; and Jose Guillermo Gonzalez, director of finance and of the Comptroller's Office of the canal authority, who will serve as liaison between the committee and the canal authority.

NATIONAL ASSEMBLY WILL NOT SET UP PARTY

PA242138 Panama City Circuito RPC Television in Spanish 1745 GMT 24 Feb 79 PA

[Excerpts] The national government has been promoting the strengthening of the Democratic Revolutionary Party [PRD] in several parts of the country. It has been noticed, however, that the national assembly of representatives has had little participation in this. Interested in finding out the opinion of this legislative body, station reporter Manuel Santamaria Llamas met with popular power President Victor Corrales Nunez with the following results:

[Begin recording] [Question] President Corrales Nunez, after solving the problem administratively and economically, there is still the political aspect. It was recently disclosed that the 505 might participate in the creation of a political party. Is there truth to that?

[Answer] Well, the news is not true. It is possible that certain groups that do not belong to the national assembly of representatives might have thought about that, but the National Assembly of Corregimiento Representatives is not involved in it. There is no organized group within the 505 participating in that kind of political activity.

Under no circumstances will we separate ourselves from the government, and we dare say that a large percentage, a very large percentage of corregimiento representatives believe in the PRD, have confidence in it and will support it. [end recording]

PANAMENIST PARTY APPOINTS NEW OFFICIALS

PA241742 Panama City Radio Hogar in Spanish 2300 GMT 23 Feb 79 PA

[Report by Dr Miguel Antonio Bernal from his "Alternativa" program]

[Text] We have received a note from the Panamenist Party announcing the following appointments, which were made by the party's national leadership: Guillermo Endara, general under secretary; Carlos Greco, first assistant under secretary; Louis Martinz, assistant under secretary for the press; Dr Carlos Young Adames, assistant under secretary for foreign affairs; Emilio Royo Linares, assistant under secretary of minutes.

The note, signed by Dr Arnulfo Arias Madrid, Maria Santodomingo de Miranda and other members of the Panamenist Party's national leadership, urges the new members to assume their new posts as soon as possible.

SUPREME COURT DECISION ON PRISONERS OPPOSED

PA262331 Panama City LA ESTRELLA DE PANAMA in Spanish 26 Feb 79 pp 1, 14 PA

[Text] The Supreme Court has ruled that the arrest of Ivis Imelda Rivera de Osorio, Jose Demetrio Sagel, Jose del C. Gonzalez Franceschi, Patrocinio Vasquez and Andres de Puy Farrugia, who are in custody in David at the order of the attorney general under charges of having participated to varying degrees in crimes against the security of the state, is legal.

These persons and several foreigners have been accused of conspiring to disrupt public order through a revolutionary action led by Abraham Crocamo, a former National Guard officer. The writ of habeas corpus in favor of these persons was filed by telegraph by citizen Jose H. Santos.

Meanwhile, lawyers Guillermo Endara Jr, Panamenist; Winston Robles, Social Democrat; Eusebio Marchosky, Social Democrat; Guillermo Cochez Jr, Christian Democrat; and Carlos Ivan Zuniga, of the Independent Democratic Movement, have filed another writ of habeas corpus, stating that the arrest of these persons is illegal because in the Republic of Panama there is no legislation in effect describing the action allegedly committed by these persons as a crime.

The lawyers argue that Decree 342 of 31 October 1969 fundamentally and completely regulated everything connected with the definition and description of and the punishment for the crime of disrupting public order, and that a procedure was established for meting out the sanctions provided for by the Cabinet decree and for determining which officials have jurisdiction to hear such cases and to mete out the respective sanctions.

According to the petitioners, the decree superseded all previous legislation (penal code as well as additional and complementary legislation) regarding the definition and description of as well as punishment for the crime of disrupting public order. Said decree was superseded by Law 53 of 1977, which did not expressly provide that the dispositions superseded by Decree 342 of 1969 would go back into effect. No legislation has been enacted since then to regulate the definition and description of as well as punishment for the crime of disrupting public order.

"Therefore, the arrest of those persons in whose favor the writ of habeas corpus has been filed was decreed for the alleged commitment of an action not punishable by the law, since there is no existing legislation defining it as such. Therefore, their provisional arrest cannot be ordered, and their immediate release is mandatory," the writ presented by the lawyers says.

They also warn that if the arrest is declared legal in accordance with legislation existing prior to Cabinet Decree 342 of 1969, the Supreme Court of Justice, by means of a juridical decision and with the responsibility it may assume in the future, intends to reestablish the validity of superseded dispositions without the due legislative process essential in these cases and without having the decision which returns their validity dictated by the entity or body empowered to legislate according to the law.

MATUTINO WARNS OF U.S. OPPOSITION TO TREATY IMPLEMENTATION

PA250315 Panama City MATUTINO in Spanish 24 Feb 79 p 6-A PA

["The Gringos Are Coming" by Jorge E. Ruiz from the "Forum del Pueblo" column]

[Text] Today again we are presented with the "bogeyman" of the gringos, this time in the form of congressmen who are opposed to the Torrijos-Carter treaties, and we doubt that this is so merely because the United States is such a "democratic" country.

According to news dispatches, it turns out now that there is a Republican who is Panama's foe. He says he will do all he can to amend the treaties so that our country will be compelled to get rid of them.

In turn, with that benevolence so like Uncle Sam's nephews, a "high-ranking White House official" reports that "Congress will approve the text submitted by Carter with changes that will not trigger too much resistance in either Panama or in the U.S. Government."

We understand that as far as we are concerned, we are in the treaty implementation stage already. We are just waiting for 1 October to enter the Canal Zone in the first phase of the decolonization that will conclude in the year 2,000.

We do not believe that the Torrijos-Carter treaties are the best we can hope for, but we are aware of the patriotic work done by our negotiators. If more was not obtained, it was simply because we were not negotiating with a generous government but with imperialism.

We repeat, however, that we thought all those stages had passed. Now a White House official, asking not to be identified, says that changes will be introduced to the treaties that will not trigger too much resistance in Panama.

Can a treaty be altered by one of the parties, hoping that the other party will not create too much resistance? Is there no respect for what has already been signed?

We do not know what our officials will say about this, but we, who have never been pro-gringo--we have suffered their presence in the Canal Zone as long as we can remember, and we are anti-imperialist--want to voice our protest at that new lack of respect for our dignity. We want to sound a warning to young Panamanians who love their country but who are led to believe that the gringos are our best allies.

BRIEFS

AMBASSADORS PRESENT CREDENTIALS--Guatemalan Ambassador Col Hector Rosales, Belgian Ambassador Christian de Saint Hubert and Vietnamese Ambassador Le Tham presented their credentials to the Panamanian Government yesterday. [Panama City LA ESTRELLA DE PANAMA in Spanish 22 Feb 79 p 4 PA]

COSTA RICA

CARAZO OPTIMISTIC ABOUT UPCOMING TALKS WITH ROYO

PA261427 San Jose Radio Reloj in Spanish 1100 GMT 26 Feb 79 PA

[Text] The meeting that the presidents of Costa Rica and Panama will hold in the border area of Sixaola this weekend will have positive results, President Rodrigo Carazo has said. The Costa Rican president said that the work being done by the various commissions on marine and submarine delimitation, customs problems and the creation of an international friendship park will lead to positive results. President Rodrigo Carazo will meet with his Panamanian counterpart Aristides Royo this Saturday at 1100.

FORMER PRESIDENT ODUBER TO VISIT MEXICO, VENEZUELA

PA261434 San Jose Radio Reloj in Spanish 1100 GMT 26 Feb 79 PA

[Text] Former President Daniel Oduber Quiros will go to Mexico City tomorrow where he will spend a few days, a source close to him has said. It was also reported that Oduber will take advantage of this trip to the Mexican capital to meet President Jose Lopez-Portillo.

The same source added that the former president will also visit Venezuela within the next few days to meet with President Carlos Andres Perez, his personal friend. Oduber is back in political activity and is considered a prominent figure within the National Liberation Party after holding meetings with friends during which he criticized the work of President Carazo's administration.

'OPERATION CHECKMATE' POSTPONED UNTIL 28 FEBRUARY

PA262020 San Jose Radio Reloj in Spanish 1630 GMT 26 Feb 79 PA

[Text] The beginning of Operation Checkmate has been scheduled for next Wednesday, Costa Rican Public Force Director Col Fernando Munoz reported this morning. Security and Government Minister [as heard] Juan Jose Echeverria had initially reported that the operation, designed to clear the border area of Sandinists and National Guardsmen, would begin last weekend. However, it has been suspended. Colonel Munoz reported that the operation requires more planning. Right now the final details are being worked out to undertake the operation as planned.

TWO NICARAGUAN GUARDSMEN SURRENDER IN LOS CHILES

PA261438 San Jose Radio Reloj in Spanish 1100 GMT 26 Feb 79 PA

[Text] Nicaraguan National Guardsmen Jose Salgado Gomez, 17, and [name indistinct] Lopez, 17, surrendered at the rural guard station in Los Chiles yesterday. According to reports supplied by an authorized source, an envoy showed up at the [word indistinct] at about 1400 yesterday and said there were two guardsmen from Somoza's army who wanted to surrender to Costa Rican officials. The source added that a patrol led by Lieutenant Cordoba and Canton station official Rigoberto Canton Blandon immediately left for the area. They returned [words indistinct] with the two National Guardsmen, who are at this precinct waiting to be sent to San Jose today.

U.S. TUNA TRAWLER SEIZED IN NATIONAL WATERS

PA262340 San Jose Radio Reloj in Spanish 1630 GMT 26 Feb 79 PA

[Text] Another pirate tuna trawler has been captured. At 0300 today the ship White Star, flying the U.S. flag, was taken to Puntarenas. It was caught in Costa Rican national waters while fishing for tuna about 70 miles from Cocos Island. Patrol boat No 406 captured the pirate ship at 1900 on Saturday and it was brought to port and placed in the custody of the corresponding authorities early this morning. The crime that the ship White Star will be charged with is poaching. It will possibly be tried in a fashion similar to the U.S. ships that were recently seized in Costa Rican waters for the same reasons.

Ship's Release Sought

PA262341 San Jose Radio Reloj in Spanish 1630 GMT 26 Feb 79 PA

[Text] Regarding the capture of the tuna ship White Star that was flying a U.S. flag early this morning and in view of the U.S. consul's intercession in an effort to obtain its release, Attorney General Jose Roberto (Steiner) [as heard] and the chief prosecutor went to Puntarenas to learn the facts and to impede its release. This morning, spokesmen for the attorney general's office demanded quick legal action in order to prevent situations similar to those that have arisen previously. It is the desire of the attorney general that our authorities not let themselves be caught by surprise by the diplomatic stand of officials accredited with our government.

ISSUANCE OF VISAS TO CHINESE NATIONALS SUSPENDED

PA241725 San Jose Radio Reloj in Spanish 0100 GMT 24 Feb 79 PA

[Text] Public Security Minister Juan Jose Echeverria announced this afternoon that visas for citizens of Nationalist China and the People's Republic of China will not be issued. The minister explained that this situation will prevail until a decree establishing new provisions for the issuance of visas is published. He pointed out that in view of the increased immigration of Chinese in recent months, it has been decided to regulate their entry into the national territory.

BRIEFS

DISEASE PREVENTION MEASURES--In view of the sugarcane rust [roya] and sugar carbon [carbon de azucar] in several countries, the agriculture minister has taken measures designed to prevent these diseases from spreading to Costa Rica. The measures include strict control over the importing of stalks and the recommendation that travelers refrain from bringing plants or soil from affected countries into Costa Rica. Sugarcane rust has appeared in Australia, Africa, Venezuela, the Dominican Republic, Cuba, Belize and Panama. [San Jose Radio Reloj in Spanish 1200 GMT 24 Feb 79 PA]

EL SALVADOR

BILL TO ABOLISH PUBLIC ORDER LAW SENT TO CONGRESS

PA270420 Paris AFP in Spanish 2230 GMT 26 Feb 79 PA

[Text] San Salvador, 26 Feb (AFP)--President Carlos Humberto Romero took the first legal step today to release 47 persons accused of terrorist acts.

It was reported today that the president sent to Congress a bill to abolish the Defense and Guarantee of Public Order Law, which has been criticized by different sectors opposed to the government. President Romero said that the decision was made because the law is considered to be inoperative in the struggle against terrorism and as "an opening to dialog" with the opposition. The president told journalists that at no time was any pressure exerted on him from abroad to abolish the Defense and Guarantee of Public Order Law.

ERP COMMUNIQUE DENIES RECENT BOMB THREATS

PA270221 San Salvador LA PRENSA GRAFICA in Spanish 21 Feb 79 pp 2,71 PA

[Text] The underground Revolutionary People's Army (ERP) yesterday rejected responsibility for making anonymous phone calls about bombs having been placed in government offices.

In the communique released to the communications media yesterday, the illegal group said that "it is absurd to try to make us responsible for alleged acts of sabotage carried out during hours in which innocent persons, such as government employees, could be injured."

"Our actions are against repressive bodies, paramilitary organizations, the oligarchy and installations and buildings of the financial oligarchy and the state, not against those who work at those installations," the communique adds.

Last Thursday anonymous telephone calls indicated that bombs which were about to explode had been planted at the Legislative Assembly, the Supreme Court and the courts. This caused a suspension of work at those sites.

GUATEMALA

PRESIDENT LUCAS GARCIA RETURNS AFTER 18-DAY ABSENCE

PA270308 Guatemala City Domestic Service in Spanish 0030 GMT 27 Feb 79 PA

[Text] Official sources said today that President Gen Fernando Romeo Lucas Garcia quietly returned to Guatemala after an 18-day absence. During this period Vice President Francisco Villagran Kramer acted as president. The sources said that only the presidential General Staff was on hand at La Aurora International Airport to greet the president on his arrival.

ARMY DENIES REPORTED CLASH WITH SUBVERSIVES

PA231152 Guatemala City Domestic Service in Spanish 0030 GMT 23 Feb 79 PA

[Excerpt] In reference to articles published by the newspapers LA HORA and EL IMPARCIAL on alleged clashes between soldiers and subversive groups in the area of [words indistinct], the Guatemalan Army reports that since the assignment of military units to that region there have been no incidents to disturb the peace or the development of the cooperatives. (?Eight) military detachments have been assigned there at the request of the residents who want to work and live in peace and who have confidence that the armed forces will prevent criminal incursions.

NICARAGUA

SOMOZA DISCUSSES FUTURE ELECTIONS; VIOLENCE RESUMES

PA261624 Paris AFP in Spanish 1602 GMT 26 Feb 79 PA

[Text] Managua, 26 Feb (AFP)--Nicaraguan President Anastasio Somoza has said that he will support his oldest son, Lt Col Anastasio Somoza Portocarrero, so that he can become president of the republic, it was reported today. Somoza did not dismiss the possibility of returning to the presidency of Nicaragua in a future term of office.

The president discussed these topics as he commented on Nicaragua's political situation with Helio Goldstein, envoy of the Brazilian magazine VERSUS. The interview was published here today.

The president stated that his son, Lieutenant Colonel Somoza Portocarrero, 27, cannot run for president during the elections scheduled for 1981 because by that time he will still not be 35 years old as the constitution requires. However, Somoza said that "if the citizens want my son to become president of the republic in the next term, I will support him." Somoza added that he himself might become president of Nicaragua again in the term following the one that will begin in 1981 because the law does not bar him from doing so.

Meanwhile, the wave of political violence that had subsided over the weekend resumed within the past few hours. Four bodies of young men were found in the western part of Nicaragua, apparently shot and killed by the army. A young man died in Granada, 50 km east of Managua, in a clash with the military. Several terrorists set fire to a supermarket and a brothel in Managua apparently because they thought that the owners are aligned with the government. An unidentified group assaulted the home of opposition Senator Eduardo Conrado, of the Conservative Party, and escaped with $700.

BOMB DAMAGES HOME OF GRANADA OFFICIAL

PA262023 Bluefields Radio Atlantico in Spanish 1800 GMT 26 Feb 79 PA

[Text] A powerful bomb was detonated at dawn yesterday, Sunday, in the home of Dr Augusto Cesar de la Roca, legal adviser of the Granada command. Dr De la Roca's home is also located in the city of Granada. The explosion did not cause any casualties but it did cause property damage. A balcony, the roof and windows of the house collapsed. No one was in the house at the time of the explosion.

RADIO RELOJ REPORTS ON MONIMBO COMMEMORATION IN MASAYA

PA270315 San Jose Radio Reloj in Spanish 0000 GMT 27 Feb 79 PA

[Excerpt] Approximately 10,000 persons demonstrated without incident in Masaya today during a ceremony held to honor those killed during the Monimbo massacre. Nicaraguan Bishop Monsignor Obando y Bravo held mass in Masaya. The mass commemorated another anniversary of the Monimbo massacre.

More than 10,000 persons paid homage to those who were killed in the incident, said Santana, our collaborator from Radio Corporacion. One of the streets was renamed Insurgentes. The demonstration was peaceful and there was no violence in Masaya. The situation in the rest of the country was reported to be normal.

BLAS ROCA CONDEMNS MAOIST AGGRESSION

FL261716 Havana Domestic Service in Spanish 1700 GMT 26 Feb 79 FL

[Text] Blas Roca Calderio, member of the PCC Politburo and president of the People's Government National Assembly, began a speech at the National Union of Cuban Jurists with a strong and vigorous condemnation of the Maoist aggression against the heroic Vietnamese people. The union was holding an activity to celebrate the third anniversary of the proclamation of the republic's constitution, the 84th anniversary of the beginning of the last war for independence from Spanish colonialism and the 131st anniversary of the first edition of the Communist Manifesto.

The following quote from Fidel's words in bold letters was prominently displayed at the activity: All and every one of us must be firm bulwarks of the constitution, administrators and observers of revolutionary law, zealous and strict defenders of socialist legality.

The activity began with brief remarks by Miguel Angel Duque Estrada, president of the National Union of Cuban Jurists, who stressed the firm historic ties between the Communist Manifesto, the Marti revolution and the constitution proclaimed in 1976.

UN ENVOY: CHINESE AGGRESSION BETRAYAL OF SOCIALISM

FL261121 Havana Domestic Service in Spanish 1100 GMT 26 Feb 79 FL

[Text] Ambassador Raul Roa Kouri, Cuba's permanent representative to the United Nations, has declared that the Chinese aggression against the heroic people of Vietnam is a betrayal of the cause of socialism and communism. Cuba is certain, he said, that the aggressor will be defeated. Vietnam is not alone, just as it was not alone during the years of struggle against North American imperialism. The progressive forces of all countries, Lenin's homeland and the states of the socialist community support the Vietnamese people in their just struggle against the foreign interventionist. The ambassadors of other countries, including those of Poland, the GDR, Bulgaria, Hungary, Mongolia and India, expressed themselves in similar terms.

BLUMENTHAL, VARLEY VISITS SHOW SUPPORT FOR INVASION

FL261127 Havana Domestic Service in Spanish 1100 GMT 26 Feb 79 FL

[Text] The arrival in Beijing of British Industry Secretary Eric Varley, coinciding with the arrival of U.S. Secretary of Treasury Michael Blumenthal, has shown the support of these two Western countries for the Chinese invasion of Vietnam.

Varley's presence in Beijing has refuted earlier reports that negotiations for the British sale of Harrier airplanes to China had been halted. The current Chinese military actions against Vietnam caused an unfavorable reaction in certain London circles to the delivery of these attack airplanes capable of vertical takeoff and used for support of ground troops.

In practice, however, Varley's arrival in Beijing at the invitation of Vice Premier Wang Chen underscores the support of his government for what the Chinese authorities call a counterattack limited in scope and duration, which is continuing without an end in sight. The publicly announced objectives of the visit are to negotiate a long-term economic cooperation agreement and discuss its specific aspects. However, according to analysts the principal objective is to conclude the sale, involving millions [presumably dollars], of the sophisticated airplanes.

This is inferred from the inclusion in the delegation of top officials of the British defense and industry departments.

After actions on the border began on 17 February, Great Britain and the United States ostensibly supported it with the trip by Varley and Blumenthal to Beijing that same day on special aircraft.

North American Treasury Secretary Michael Blumenthal is the bearer of a message from President James [Carter] to Chinese authorities explaining the White House position already explained by the North American delegate at the UN Security Council, which favors Beijing's action against Vietnam. Blumenthal, the first top U.S. official to visit China since the normalization of bilateral relations, will remain in China 1 week and will attend the inauguration of the embassy on 1 March.

In the meantime, the West German press has revealed that Beijing told the Bonn and Washington governments of its plans against Vietnam beforehand, thus refuting the Chinese version of a counterattack.

COMMENTATOR: U.S. POLITICALLY ASSOCIATED WITH INVASION

FL270239 Havana Domestic Television Service in Spanish 0100 GMT 27 Feb 79 FL

[Carlos Mora Herman Commentary]

[Text] During his recent visit to the United States, Deng Xiaoping stated that it was necessary to teach a lesson to Vietnam, to punish Vietnam. The Chinese mandarins and their Yankee associates were deeply hurt when the Kampuchean people swept away the Pol Pot genocide gang, which was supported by China, and that such a liberating feat had the internationalist solidarity of the Vietnamese people.

While in the United States, Deng Xiaoping conducted secret talks with President James Carter and National Security Adviser Zbigniew Brzezinski, a character whom European circles have called irresponsible, anti-Soviet, irrational and hysterical. It is noteworthy that when Deng Xiaoping returned to Peking he met with the Central Committee Military Commission and decided to attack Vietnam. As pointed out by Fidel last Wednesday in his speech at La Rampa, the U.S. Government has associated itself politcally with the invasion of Vietnam with this Peking adventure which is part of the crusade against the Soviet Union, a crusade which now includes Vietnam.

It is no secret that the members of the Peking clique have stated on several occasions that China must control Southeast Asia, including Vietnam, Thailand, Burma, Malaysia and Singapore. U.S. responsibility in this war of aggression unleashed by China against the Vietnamese people is clear and most evident. That is why the Chinese clique, in coordination with their Yankee associates and the members of the trilateral policy, have brought into play all their enormous propaganda apparatus--press, radio, television and other mass dissemination means--to lie, misinform, deceive and confuse world public opinion, Such phrases as preventive counteroffensive, counterattack in self-defense, the Vietnamese aggressors and, what is still worse, versions of the kindness and compassion of the Chinese troops in protecting Vietnamese persons residing in border towns and giving toys and candy to the children as they triumphantly advance through the countries are being used in that propaganda.

All that is extremely repugnant. These genocidal Chinese and their imperialist allies repeat the same methods employed by Hitler and Nazism during World War II.

There are large numbers of witnesses and unquestionable statements, which have even been verified by Western journalists who have visited the front lines, on the atrocities being perpetrated by the Chinese troops on Vietnamese territory: Murdering civilians without regard for children, women and old people; a policy of scorched earth, which does not leave anything standing in its path--a savage horde without scruples and without the least compassion.

The argument that this aggression is in revenge for the defeat suffered by the genocidal gang in Kampuchea is totally false. Preparations for this invasion were made long before the Kampuchean people overthrew the bloodthirsty regime which Peking had imposed on them with Pol Pot at the top.

The United States even knew the date of the Chinese aggression against Vietnam, inasmuch as the current policy of the Chinese traitors is being used by Yankee imperialism in its attempt to weaken the socialist world and check the process of detente. No one can believe that China, whose population is 18 times larger than Vietnam's could be threatened by this small country. Nevertheless, things are not looking good for the aggressors. One week after the invasion began, it looks as if the plans of the Chinese General Staff are not developing as anticipated. They now say that the Chinese military operations have not had the expected results.

It has also been revealed that some members of the Chinese leadership had expressed reservations in the face of a serious decision such as this invasion. It has been learned that some moral placcards--what are called (dazipao)--have appeared in Peking criticizing the Chinese aggression against Vietnam. In one of those placcards it has been compared to the Zionist actions against the Palestinian people. There is nothing that can justify this criminal aggression whch the Deng Xiaoping followers have unleashed against the Vietnamese people. Among the many lessons to be learned from ths reprehensible act is that those who vaciliate and are dubious, those who place Vietnam and China on the same level, those who use half measures and refuse to take sides at a time like this--as Fidel clearly stated this is the time to find out who is who--are being exposed.

SOVIET GOSPLAN OFFICIAL ARRIVES IN HAVANA

FL262227 Havana Domestic Service in Spanish 2211 GMT 26 Feb 79 FL

[Text] Nikolay Pavlovich Lebedinskiy, deputy chairman of the Soviet Union's State Planning Committee [GOSPLAN], has arrived in Havana from Moscow accompanied by a group of officials. At the Jose Marti International Airport, in Rancho Royeros, the visitor was welcomed by Humberto Perez, member of the PCC Central Committee and president of the Central Planning Board [JUCEPLAN], and (Aleksandr I. Khazhainov), economic counselor of the USSR Embassy.

The Soviet delegation will participate in the ninth meeting of the intergovernmental committee for economic, scientific and technical cooperation between Cuba and the Soviet Union, scheduled to begin on 6 March in Havana City. The meeting will discuss the continuation of cooperation between the two countries during the 1981-1985 period.

PRESIDENT GUZMAN DENIES DIFFERENCES WITH PRD

PA241432 Buenos Aires LATIN in Spanish 0255 GMT 24 Feb 79 PA

[Text] Santo Domingo, 23 Feb (LATIN)--President Antonio Guzman today denied the existence of a crisis between the executive and legislative branches. He also denied that his administration has differences with the Dominican Revolutionary Party [PRD], which took him to power. Guzman said today that the Chamber of Deputies' rejection of an agreement to eliminate visas, which was signed between the Governments of Guatemala and the Dominican Republic, is part of the democratic system. The deputies based their rejection on the fact that Guatemala has a bloody dictatorship.

According to the Dominican president, the decision of the Chamber of Deputies demonstrates that a true democracy exists in the country, and that there is a separation of powers. He added that his administration is always closer to the PRD. There had been talk of differences between the PRD and Guzman before the Chamber of Deputies rejected the agreement.

The disagreements between the administration and the PRD could have been the cause of the rejection of the Dominican-Guatemalan agreement, since the lower house is dominated by the PRD. It has been said on several occasions that Guzman has strayed from the government plan drafted by the PRD, which served as the platform for his election campaign. It has also been reported that the PRD's suggestions for specific posts, such as diplomatic appointments, are ignored by Guzman.

Two newspapers today criticized the apparent lack of communication between Guzman and the PRD. When he was questioned on this during a ceremony at the San Isidro military academy, Guzman rejected the existence of any differences. Nevertheless, the newspaper EL SOL said that the rejection of the agreement is indisputable evidence of the deterioration of the relations between the PRD and the men which it took to the National Palace.

GUZMAN DEFENDS GOVERNMENT'S CREDIT POLICY

PA262251 Paris AFP in Spanish 1935 GMT 26 Feb 79 PA

[Excerpt] Santo Domingo, Feb 27 (AFP)--In this city last night President Antonio Guzman defended his administration's policy of requesting economic aid from other countries, saying that the loans which are obtained will be dedicated to a great extent to paying debts inherited from past administrations.

Guzman made this statement when asked if the credits his regime is requesting from international organizations and other countries will decrease the country's capacity to obtain loans.

He said that "a country cannot have debts fall due without paying them."

The chief of state said that "what we have done and are going to do is to borrow in order to cover commitments we have which will fall due shortly and which must be paid." He gave as an example a $50 million debt contracted prior to his inaugural ceremony.